



Michael R. Pence, Governor  
State of Indiana

*Division of Disability and Rehabilitative Services*  
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## CIH Cost Analysis Subcommittee Meeting Minutes

Date/Time: March 7, 2016 10:00am- 2:00pm

Place: Insights Consulting  
7830 Johnson Road  
Indianapolis, IN 46250

### Attendees:

Kim Opsahl INARF	Adam Schwelnus Logan Community Resources, Inc.
Terry Huser Huser Special Care	Laura Fife Connections Case Management
Dick Rhoad Wabash Center, Inc.	Dan Stewart Achieva Resources Corp.
Kim Dodson The Arc of Indiana	Jennifer McBlane Public Consulting Group, Inc.
Julie Reynolds DDRS	Thom Hayes BDDS
Kelly Hartman – Subcommittee Chair Insights Consulting, Inc.	Misty Woltman – by phone Easter Seals – Arc Northeast Indiana
Cathy Anderson Public Consulting Group, Inc.	Nathan Grossman Public Consulting Group, Inc.

### Introductions

### Topics

#### ➤ Advisory Subcommittee Discussion

- Reversions – All Funds – Fiscal Year 2014-2015
- Share information on CMS HCBS rate-setting rules
- Staff Retention Surveys and Links
- Looking at cost from the Providers point of view
- Elements of cost and cost drivers for CIH Residential Services



➤ **Reversions – All Funds – Fiscal Year 2014-2015**

- Group reviewed and discussed the budget appropriations for 2014-2015 State Fiscal Year
  - Funds are appropriated however not always fully available.
  - Often funds are held back for reserves:
    - General Fund
    - Medicaid Reserve Fund
    - Tuition Reserve Fund
    - Rainy Day Fund

➤ **CMS HCBS rate-setting rules**

- The Subcommittees purpose is to make recommendations to the State on how to analyze the cost of delivering services.
  - Traditionally- here is the budget you have – services need to fit within the budget.
  - The state is looking at a different approach and considering a cost reimbursement methodology – The rate setting is not part of the Waiver Amendment that is with CMS – leaving the committee with some flexibility in recommendations back to DRS
- Waiver Rate Setting
  - Must comply with all the rules of all other Medicaid rate setting
  - Waiver payment rate setting – payments are consistent with efficiency, economy and quality of care and sufficient to enlist enough providers
  - Rates may be prospective or provide for retrospective cost settlements of interim rates
  - Rates may be established by maintaining a state established fee-for-service schedule
  - Rates may incorporate “difficulty of care” factors to take into account the level of provider effort associated with serving individuals who have differing support needs
  - Rates may also include geographic adjustment factors to reflect differences in the cost of furnishing services in different parts of a State
  - Must have a uniform rate determination methods or standards that apply to each waiver service
  - Methods or standards must be applied in all jurisdictions where waiver services are furnished
- Staff retention studies - Subcommittee was provided links on staff retention
  - Vacancy rates in direct support positions are influenced by the demographics of the direct service workforce, high rates of turnover in direct support positions, and increased demand for community health and human services
  - Wage and benefits are the two factors that have been consistently identified in studies as factors associated with higher rates of turnover for DSW's across the IDD, aging, physical disability and behavioral health sectors
  - Use of geographic factors – cost drivers
  - National Core Indicators (NCIs)
    - Staff turnover study

- This is the first time Indiana has participated in the NCI – staff turnover portion of the survey
  - National Association of State Directors of Developmental Disabilities Services (NASDDDS) partnership with NCI – goal to promote and assist state agencies in developing effective, efficient service delivery systems that furnish high-quality supports to people with intellectual and developmental disabilities.
- **Looking at cost from the providers point of view** – subcommittee reviewed and discussed a sample cost analysis
- An Effective Approach
    - Identifying the problem
    - Setting goals
    - Creating a process
    - Taking action
    - Measuring the results
  - Income Statement – subcommittee reviewed and discussed a sample income statement – revenues, expenses, total operating cost and gross margin.
  - Subcommittee was presented a CIH waiver example showing a breakdown of staff expense analysis, direct expenses and weekly expenses showing available vs. billed services.
- **Elements of cost and cost drivers** (and how do you capture and report on these costs?)
- Direct Services
  - Transportation
  - Quality Assurance
  - Facilities
  - Technology cost
  - Administrative cost
  - Additional duties
  - Other cost considerations

## **Task**

- BDDS will check to see if it can share data on the percentage of individuals who have had a Budget Modification Request (BMR) or Budget Request Questionnaire (BRQ) for 2015

## **Planning Ahead**

- The next meeting will be April 12, 2016 – 10:00AM – 200PM – Insights Consulting
- Discuss components of a cost study (cost survey structure, participation, frequency, validation, etc.)